

RP2004B56	322		
POLICY NUMBER	ENT. NO.	BRANCH	PRODUCER

**HIGH PERFORMANCE WATERCRAFT
DECLARATIONS PAGE**

PAGE: 1 OF 1

EFFECTIVE DATE 6/20/03

MARKEL AMERICAN INSURANCE COMPANY
 GLEN ALLEN, VIRGINIA
 1-800-236-2862

YOU AS NAMED INSURED, ADDRESS, ZIP CODE

FERRONE, RAYMOND
 1 INDIAN COVE WAY
 SOUTH EASTON MA 02575

BROKER/PRODUCER, ADDRESS, ZIP CODE

PHONE: 231-947-9611
 GLOBAL MARINE INSURANCE AGENCY
 PO BOX 6747
 TRAVERSE CITY MI 49496

NAVIGATIONAL LIMITATIONS
 US COASTAL WATERS OF THE ATLANTIC
 OCEAN NOT MORE THAN 25 MILES OFF THE
 COAST BETWEEN EASTPORT, ME AND
 BLOCK ISLAND, RI

LIENHOLDER, ADDRESS, ZIP CODE

RECEIVED

JUL 07 2003

Ans'd.....

POLICY PERIOD
 12:01 A.M. STANDARD TIME AT YOUR ADDRESS ABOVE

FROM			TO			TERM
MO.	DAY	YR.	MO.	DAY	YR.	
06	20	03	06	20	04	12MO

WARRANTED LAYUP FROM 11/01 TO 4/01 12:01 A.M. STD

2000 ACTIVE THUNDER 37' ATD37V151990 2000 MERCURISER TWIN 400HP

COVERAGES: This policy provides only the Insurance for which a specific premium charge is indicated below, or which is indicated as included without specific charge either below or in your policy. Detailed descriptions and any limitations will be found below or in your policy.

COVERAGES	AMOUNT OF INSURANCE OR LIMIT OF LIABILITY	PREMIUM	PREMIUM CHANGE
WATERCRAFT & EQUIP-AGREED VALUE	\$105,000	\$2,298	
WATERCRAFT LIABILITY-BI & PD	LESS \$2,100 DED \$1,000,000 EA OCCURRENCE	\$907	
ENHANCED PACKAGE		\$75	
MEDICAL PAYMENTS		INCLUDED	
PERSONAL EFFECTS AND MISCELLANEOUS EQUIPMENT	LESS \$10,000 \$100 DED \$1,000	INCLUDED	
TOWING	LESS \$250 DED \$500	INCLUDED	
UNINSURED BOATER INCL. SKI	\$1000 AGGREGATE	INCLUDED	
POLLUTION LIABILITY	\$25,000 \$500,000	\$25	
UNIT 001 PREMIUM:		\$3,305.00	
TOTAL POLICY PREMIUM:		\$3,305.00	
MINIMUM EARNED PREMIUM	\$250.00		
ENDORSEMENTS APPLICABLE: WC5001-1095* WC5039-1095* WC5061-0498* WC 5066-0400* WC5037-0598* WC5065-0900* NAMED OPERATORS: FERRONE, RAYMOND			

T/F
 JUL 24 2003

INUED (DATE) JUNE 20, 2003

AT (CITY & STATE) MASSACHUSETTS

Licensed Agent

6/30/03

RP2004B56

POLICY NUMBER

WC5000-1095

PAGE 02
 1004

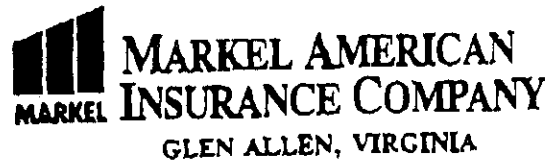
GLOBAL MARINE INS.

Steven Goldman

23159290285

09/30/2004 12:41 FAX 6175664292

09/30/2004 02:29



Watercraft Insurance Policy

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I. AGREEMENT

In return for the premium payment and compliance with all applicable provisions of this policy, we agree to provide the insurance coverages you have selected as shown on the Declarations Page which is part of this policy. This insurance applies only to watercraft accidents and losses which occur while this policy is in force.

By accepting this policy you agree that the statements on the Declarations Page and the application are your agreements and representations. This policy is issued in reliance upon the truth of your representations. It includes all agreements existing between you and us or any of our representatives.

II. DEFINITIONS

You and Your

means the insured named on the Declarations Page and the spouse if living in the same household.

First Named Insured

means the named insured listed first on the Declarations Page.

We and Us and Our

means the company providing this insurance.

Insured Person

means you, a household member related to you by blood, marriage, adoption including a ward or foster child or any person operating your insured property with your prior permission.

This does not include:

- A. A paid captain or crew member;
- B. A person or organization or their agent or employee operating a marina, shipyard, sales agency or like organization;
- C. Any insured persons' possible liability to you.
- D. Any person or organization who rents, charters, hires or leases watercraft or equipment from an insured person.

Insured Property

means:

A. If a premium charge is made on the Declarations Page, the watercraft and equipment such as the motor, tender, depthfinder/graph, loran, ship to shore radio, boat cover, life preservers and any other equipment generally required to be on board for the safe operation and maintenance of the watercraft described in this policy and, if a(n):

1. outboard boat, including its remote controls;
2. outboard motor described in this policy, in-

cluding attached accessories, main fuel tank including hose, battery, connecting cables, and electric starter.

3. sailboat, including its sails, spars, rigging, auxiliary outboard motor and its equipment.

All equipment must be listed and valued on the application or coverage will not be afforded.

B. If a premium charge is made on the Declarations Page, the boat trailer described in this policy;

C. If a premium charge is made on the Declarations Page, personal effects listed on the application and belonging to you. Some examples are waterskis, fishing equipment, cameras, scuba diving equipment, portable radios, and wearing apparel of an insured person. Currency, travelers checks, passports, securities, evidence of debt, valuable papers or documents shall NOT be deemed personal effects and cannot be covered as such;

D. Newly Acquired Property

means any watercraft, motor or boat trailer of which you acquire ownership during the policy period, provided:

1. It replaces an item of Insured Property described in the policy and you notify us within 30 days following the date of delivery and pay any additional premium required, or
2. We insure all similar watercraft, motors or boat trailers owned by you and you notify us within 30 days following the date of delivery and pay any additional premium required.

III. WATERCRAFT AND EQUIPMENT

What We Insure

If a premium charge is made on the Declarations Page, we cover the insured watercraft and equipment generally required to be on board for the safe operation and maintenance of the watercraft. Some examples are the motor, tender, loran, depthfinder/graph, ship to shore radio, boat cover, and life preservers. All watercraft and equipment must be listed and valued on the application or coverage will not be afforded.

Coverage is provided while the watercraft and equipment are afloat, on shore or being transported on land. We will pay losses for sudden and accidental loss to the Property Insured less the deductible shown on the Declarations Page. However, in case of physical damage to a rudder, propeller, shaft or machinery inside or outside the boat caused by collision with another object (except another boat), the deductible for the entire loss will be the greater of \$500 or the deductible stated on the Declarations Page.

Valuation

This insurance is subject to a 100% coinsurance requirement. If, at the time of loss, the actual cash value of the Property Insured under Watercraft and Equipment exceeds the limit of liability shown on the Declarations Page, We will pay only a percentage of what We would otherwise be obligated to pay. We will determine this percentage by dividing the limit of liability by the total actual cash value of Your Property at the time of loss.

Our limit of liability for loss shall not exceed the lesser of:

- A. The actual cash value of the stolen or damaged Property;
 - B. The amount necessary to repair or replace the Property with like kind and quality with deduction for depreciation;
 - C. The limit of liability stated in the Declarations Page less any reasonable cost incurred in protecting the Property; or
 - D. \$20,000 for Newly Acquired Property.
- Our liability for repairs shall be in accordance with generally accepted shipyard practices.

Salvage and Abandonment

If We make a payment under this policy for loss or damage and there is salvage as a result of that loss or damage, We have the right to recover that salvage to the extent of Our payment. We need not accept Property You abandon.

Unrepaired Damage

If the damage to the insured watercraft or its equipment is not repaired, We will not be liable for more than the actual cash value of the damaged parts, but not exceeding what it would cost to repair or replace the damaged Property with material of like kind and quality. We will not pay for unrepaired damage in addition to a payment for a subsequent total loss of the watercraft and its equipment.

Our Option To Repair

We have the option of repairing damage to portions of Your watercraft by making repairs:

- A. According to customary repair practices (patch work); or
- B. According to repair procedures recommended by the builder.

Payment Of Loss

We may pay for the loss in cash or We may repair or replace the damaged or stolen Property. We may, at our expense, return any stolen Property to You. We may keep all or part of the Property at an agreed or

appraised value. But You may not abandon your watercraft to Us.

We will pay losses within 30 days after the earliest of the following:

- A. We reach agreement with You;
- B. Final judgement is entered into a court of law;
- C. An appraisal award is filed with Us;
- D. A proof of loss is accepted by the company.

Appraisal

In the event that You dispute the amount We determine to be payable under the policy, you may demand an appraisal in writing. If you demand an appraisal, You and We shall each appoint and pay a competent and disinterested appraiser and equally share other appraisal expenses. The appraisers or a judge of local court of record, shall select an umpire who shall decide any differences. Each appraiser shall state separately the actual cash value and/or the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing by any two such persons shall determine such amount. You and We will be bound by that amount.

Arbitration

In the event that You or We disagree concerning whether any or all of the loss is covered by the policy, You and We will resolve the disagreement through arbitration. Arbitration will take place in the county where you live. It will be conducted under the rules of the American Arbitration Association unless We or You object. In that case, You'll select an arbitrator and We'll select another arbitrator. The two selected arbitrators will then select a third. If the two arbitrators are unable to agree on the third arbitrator within 30 days, the judge of the court of record in the county of jurisdiction where arbitration is pending will appoint the third arbitrator.

Local court rules governing procedure and evidence will apply unless the arbitrators agree on other rules. The decision in writing of any two arbitrators will be binding on You and Us, subject to the terms of this insurance. Judgment on any award may be entered in any court having jurisdiction.

You'll pay the arbitrator that You choose and We'll pay the arbitrator We Choose.

The expense of the third arbitrator and all other expense of arbitration will be shared equally by You and Us.

No Benefit To Bailee

No person or organization having custody of the Property Insured, and being paid for services, shall benefit from this insurance.

Exclusions

We will not pay for loss, damage or expenses caused:
A. By wear and tear, deterioration, marine life, aquatic mammals, inherent vice, vermin, marring, denting, scratching, chipping, electrolysis, corrosion, rust, dampness of atmosphere, weathering, dry rot, unseaworthiness or damage due to strain of high speed;

B. By mechanical or electrical breakdown or overheating unless such damage is the result of other loss covered by this policy;

C. By unexplained disappearance of watercraft equipment or accessories unless:

1. Your watercraft is stolen at the same time; or
2. Property is forcibly removed; or
3. There is evidence of forcible entry.

D. By the wrongful conversion, embezzlement or secretion by a mortgagee, vendee, lessee or other person in lawful possession of the Insured Property under a mortgage, conditional sale, lease or other contract or agreement whether written or verbal;

E. By ice and/or freezing;

F. By intentional acts or willful misconduct of any Insured Person;

G. By any hidden defect in the hull or machinery of Your watercraft or by any defect in the design of Your watercraft.

H. By an accident occurring while Your watercraft is being operated in any race, speed or stunt contest. This does not apply to sailboats.

I. By an accident to any spinnaker while racing;

J. By electricity to electrical apparatus, other than lightning, unless fire results, and then only for the loss caused by the resulting fire;

K. By maintenance, repairing or servicing operations other than work performed by the Named Insured;

L. When outboard motors and equipment are lost overboard;

M. During any illegal transportation or trade;

N. During any commercial use;

O. While Your watercraft is being rented, chartered, hired or leased.

P. While Your watercraft is being used as a public or livery conveyance, including the carrying or hauling of goods for compensation;

Q. By confiscation of Your Insured Property by government or civil authority.

R. By wind while afloat on Lake Tahoe, Lake Mead or Lake Powell, when not in use, unless the watercraft is kept in a slip, in dry dock, or in an acceptable storage facility.

S. When the operator has a blood alcohol concentration in excess of the legal limit.

IV. LIABILITY COVERAGE

Watercraft Liability Coverage

If a premium charge is made on the Declarations Page, We will pay damages for bodily injury or property damage for which any Insured Person becomes liable through ownership, maintenance, or use of the Insured Property. This includes liability for property damage to another vessel. We will settle or defend, as We consider appropriate, any claim or suit asking for these damages. Our obligation to settle or defend ends when the amount We pay for damages equals our limit of liability for this coverage.

This coverage does not apply to a claim or suit for punitive or exemplary damages. If a suit shall have been brought against You for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then We will afford a defense to such action; however, We shall not have any obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

Limit Of Liability

The limit of Our liability shown for Watercraft Liability or Waterskiing Liability on the Declarations Page is Our maximum limit of liability under this Section. This is the most We will pay, regardless of the number of Insured Persons, claims made, or vessels involved in any one accident, or series of accidents arising out of the same event.

Supplementary Payments

In addition to the limit of liability shown for Watercraft Liability on the Declarations Page, we will pay on behalf of an Insured Person:

A. Premiums on appeal bonds and other bonds required in any suit We defend, but not for bonds, in amounts which exceed the limit of liability for Watercraft Liability;

B. Interest on Our portion of the judgement which is earned before We make payment.

C. Loss of Earnings (but not of other income) of up to \$50.00 a day for attendance at court proceedings at Our request.

Exclusions

We will not pay any amount for:

A. Bodily injury or property damage intentionally caused by any Insured Person;

B. Awards to any person for bodily injury under any federal or state compensation law or act;

C. Damage to property owned by, rented to, used by or in the care of any Insured Person;

D. Liability assumed by any Insured Person under any contract or agreement.

E. Bodily Injury or Property Damage arising out of the transportation of the insured watercraft on any other land or marine conveyance.

F. Any fine or penalty assessed by any governmental unit;

G. Bodily injury or property damage caused by an accident occurring while Your watercraft is being operated in any race, speed, or stunting contest. This does not apply to sailboats.

H. Bodily injury or property damage during any time the insured watercraft is being used for waterskiing, aquaplaning or any similar sport in which a person(s) or object(s) or both are towed, and until such operations are ended and the person(s) or object(s) engaged in such sport have been safely taken on board the insured watercraft or landed safely elsewhere unless an additional premium charge is made on the Declarations Page. Coverage is not provided at any time for tenders or for parasailing operations.

I. Bodily injury or property damage caused by the use of Your watercraft in any illegal transportation or trade.

J. Bodily injury or property damage caused during any commercial use of Your watercraft.

K. Bodily injury or property damage caused by the use of Your watercraft while being rented, chartered, hired or leased to others.

L. Bodily injury or property damage caused by the use of Your watercraft while being used as a public or livery conveyance, including the carrying or hauling of goods for compensation;

M. Bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants. We will not pay any amount for any loss, cost or expense arising out of any:

- a. Request demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- b. Claim or suit by or on behalf of a governmental authority for damages because of testing for monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or any way responding to, or assessing the effects of pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

N. Bodily Injury or property damage sustained by any Insured Person.

V. MEDICAL PAYMENTS

Medical Payments Coverage

We will pay the necessary medical and funeral service expenses incurred within one year from the date of an accident causing bodily injury to any person while in, upon, boarding or leaving the insured watercraft. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital and professional nursing services. Medical expenses also include prosthetic devices.

Limit Of Liability

Our liability in any one accident shall not exceed the amount of insurance, shown for Medical Payments on the Declarations Page, subject to the Deductible, regardless of the number of persons involved or claims made in the accident.

Exclusions

We will not pay any amount for:

A. Bodily injury sustained during the course of employment if Worker's Compensation or Federal Longshoremen's and Harbor Worker's benefits are required or available for the injury;

B. Bodily injury sustained while in, upon, boarding or leaving the insured watercraft without a reasonable belief that the person is entitled to be on board the insured watercraft;

C. Bodily injury or property damage during any time the insured watercraft is being used for waterskiing, aquaplaning or any similar sport in which a person(s) or object(s) or both are towed, and until such operations are ended and the person(s) or object(s) engaged in such sport have been safely taken on board the insured watercraft or landed safely elsewhere unless an additional premium charge is made on the Declarations Page. Coverage is not provided at any time for tenders or for parasailing operations.

VI. BOAT TRAILER

Boat Trailer Coverage

If a premium charge is made on the Declarations Page, We will cover the trailer used for transportation of the insured watercraft.

We will pay for direct and accidental loss to the insured trailer caused by fire, lightning, windstorm, explosion, collision or upset. We will also pay for a loss as a result of the theft of the entire trailer.

Valuation

We will pay for the actual cash value of the boat trailer

but not exceeding what it would cost to repair or replace the property with material of like kind and quality. Our liability for any one loss will not exceed the amount of insurance shown for the boat trailer on the Declarations Page subject to the Deductible.

Exclusions

We will not pay any amount for:

A. Loss to the insured boat trailer:

1. Due and confined to wear and tear, gradual deterioration, marring, denting, scratching, chipping, mechanical breakdown, corrosion or rust;
2. Resulting from intentional acts or willful misconduct of any person insured under this policy;
3. Resulting from the boat exceeding the registered carrying capacity of the insured trailer.

B. Bodily Injury or Property Damage caused by the insured boat trailer.

VII. PERSONAL EFFECTS

Personal Effects Coverage

If a premium charge is made on the Declarations Page, We cover losses, subject to the applicable Deductible only for personal effects listed on the application and belonging to you. Some examples are waterskis, fishing equipment, cameras, scuba diving equipment, portable radios, and wearing apparel of an Insured Person. This coverage shall apply only while such property is aboard the watercraft or while being loaded upon or unloaded from the watercraft. We shall not be liable for more than the actual cash value at the time of loss and in no event will Our liability exceed the limit of liability shown on the Declarations Page for any one accident or series of accidents arising out of the same event.

Exclusions

We will not pay any amount for:

- A. Currency, travelers checks, passports, securities, evidence of debt, valuable papers or documents.
- B. Loss or damage or expense caused by or resulting from wear and tear, deterioration, corrosion, inherent vice, changes in temperatures, dampness or dryness of atmosphere, mechanical or electrical failure or disturbance unless directly caused by lightning.
- C. Any items unless You include them on the application or notify Us when You add them and You pay any additional premium required.

VIII. UNINSURED BOATER

Uninsured Boater Coverage

If a premium charge is made on the Declarations Page

for this coverage, We agree to pay damages You are legally entitled to receive from an Uninsured Owner or Operator of a watercraft, other than an Insured Watercraft, if bodily injury results from an accident to an Insured Person or persons while aboard an Insured Watercraft. Liability must arise out of the ownership, maintenance or use of an Uninsured Watercraft.

Additional Definitions

An Uninsured Owner or Operator is defined as one who is legally responsible for an accident and:

- A. To whom no liability insurance policy applies at the time of the accident; or
- B. Who cannot be identified, such as a hit-and-run operator.

An Insured Watercraft is any watercraft which You own that is insured by Us and named on the Declarations Page of Your policy.

Limit of Liability

The limit of liability shown on the Declarations for Uninsured Boater is Our maximum limit of liability under this coverage. This is the most We will pay, regardless of the number of Insured Persons, claims made, or vessels involved in any one accident, or series of accidents arising out of the same event.

The Uninsured Boater limit will be reduced by any amount paid or payable under any worker's compensation or disability benefits law or any similar law and the total amount the person has received from someone who is legally responsible for the damages, including any payments under this policy's Watercraft Liability or Medical Payments sections.

This coverage shall be excess to any other valid and collectible insurance.

Exclusions

We will not pay any amount for loss, damages or expenses if:

- A. The uninsured boat is owned or operated by a government employee or agency;
- B. The uninsured boat is owned by, furnished to or available for regular use by an insured person;
- C. A claim is settled without our consent;
- D. Your Insured Watercraft is operated without your permission.

In addition, no coverage is afforded under this policy if bodily injury was sustained during any time the insured watercraft was being used for water-skiing or any similar sport unless Water-ski Liability Coverage is indicated on the Declarations Page.

IX. GENERAL CONDITIONS

Policy Period, Territory

This policy applies to losses which occur during the policy period and:

- A. While the insured watercraft is afloat, no more than 25 miles offshore, and within the navigation limits specified on the Declarations Page; or
- B. While the insured watercraft is on shore or being transported on land.

Policy Changes

No change or waiver may be effected in this policy except by endorsement issued by Us. If a premium adjustment is necessary, We will make adjustment as of the effective date of the change. When We broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective in Your state.

Concealment or Misrepresentation or Fraud

If You or any other insured under this policy has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, whether before or after a loss, then this policy is void as to You and any other insured.

Legal Action Against Us

No legal action may be brought against Us unless there has been full compliance with all the terms of this policy, and the action is started within one year after the accident causing the loss. No organization has any right under this policy to bring Us into any action to determine the liability of an Insured Person. We may not be sued under the Liability Coverage until the obligation of an Insured Person to pay is finally determined either by judgement against the Insured Person after actual trial or by written agreement of the Insured Person, the claimant and Us.

Release of Recovery Right

If, after a loss, You give up your rights to recover damages from any person or organization who may be liable to You, this policy will be void and will be without effect as to such loss. We still have the right to recover or retain the premium.

Our Right To Be Repaid

If We pay a loss to our insured or on behalf of anyone who has a right to recover damages from others, We shall take over that person's right to recover the amount We have paid.

If We pay a loss to Our insured or on behalf of anyone

who also recovers damages for that loss from others, that person shall hold the proceeds of the recovery in trust for Us and shall reimburse us to the extent of Our payment.

Non Waiver Provisions

No action on Our part, after a loss, to recover or save the property from further loss, nor any action which We may take in connection with the investigation of any loss, shall be considered as a waiver of any of Our rights under this policy.

Transfer Of Interest

If You sell, transfer, mortgage or pledge Your watercraft or this policy, all coverage will cease without further notice to You unless such change is accepted by Us in writing. If You die, the policy will cover:

- A. The survivor;
- B. The legal representative of the deceased person while acting within the scope of duties of a legal representative;
- C. Any person having proper custody of your insured Property until a legal representative is appointed.

Lienholder's Interest

If a lienholder is named on the Declarations Page, any loss will be paid to You and the lienholder as Your and their interests may appear. If Your interest in the watercraft is terminated, any loss payment will only recognize the lienholder's interest. No change in title or ownership of Your watercraft or any acts of Yours will effect the lienholder's interest in this policy. You or the lienholder must let Us know of any change of ownership or any increase in hazard which You or the lienholder know about.

If You fail to give Us sworn proof of loss within 30 days when requested by Us, the lienholder shall do so within sixty (60) days thereafter, in form and manner as provided by the policy, and further, shall be subject to the provisions of the policy relating to duties following a loss, appraisal, time of payment and of bringing suit.

Cancellation

A. You may cancel this policy at any time by returning it to Us or by notifying Us in writing of the future date cancellation is to take effect.

B. We may cancel this policy by mailing notice of cancellation to the First Named Insured at the address shown on the Declarations Page;

1. At least 10 days before the date cancellation takes effect:

- a. If cancellation is for nonpayment of premium;
- or

- b. If this policy has been in effect for less than 60 days and is not a renewal policy.
2. At least 30 days in all other cases.
- C. After this policy has been in effect for 60 days, or if this is a renewal or a continuation of an existing policy, We will cancel only:
1. For nonpayment of premium due during the policy period; or
 2. For material misrepresentation made by You; or
 3. For a substantial breach of Your duties under this policy; or
 4. If the risk changed substantially since the policy was issued; or
 5. For failure to comply with our underwriting requirements within 60 days of the date of effectuation of coverage.
- D. Proof of mailing of any notice will be sufficient proof of notice.
- E. If the policy is cancelled by the First Named Insured or if the policy is cancelled for nonpayment of premium, any return will be computed using our short rate premium table, subject to our minimum earned premium. If the policy is cancelled by Us, any return will be on a pro rata basis.
- F. Any return premium will be refunded within a reasonable time after the date cancellation takes effect.
- G. If a lienholder is named on the Declarations Page, We will mail written notice to the lienholder 10 days prior to the effective date of any cancellation.
- H. This policy will terminate when we pay for a total loss or a constructive total loss of your covered watercraft. In addition, all premiums shall be deemed fully earned by Us.

Renewal

We will not refuse to renew this policy solely because of Your age, sex, marital status, race, color, creed, national origin, ancestry or occupation. Subject to Our consent, the First Named Insured may renew this policy. When We consent to renew this policy, the First Named Insured must pay the renewal premium in advance. We or Our authorized representative will mail the First Named Insured a notice telling the First Named Insured when the premium must be paid. The policy will expire if We or Our authorized representative do not receive the required payment by the renewal date.

If We decide not to renew Your policy, We or Our authorized representative will mail to the First Named Insured, at the address shown on the Declarations Page, written notice of nonrenewal. The written notice will be mailed to the First Named Insured at least thirty

(30) days before the end of the policy term. A copy of the notice will also be sent to any lienholder named on the Declarations Page. If We decide not to renew Your policy, Our mailing of notice to the address of the First Named Insured shown on the Declarations Page will constitute proof of notice as of the date We mail it.

Other Insurance

This policy is excess over any other valid and collectible insurance.

Policy Conformity To Statutes

Any provision in this policy that conflicts with any state statute is hereby amended to conform to the minimum requirements of the state statute.

War And Nuclear Exclusion

We will not pay any loss resulting directly or indirectly from:

- A. Any taking of the boat by requisition;
- B. Civil war, revolution, rebellion, insurrection, or civil strife;
- C. Capture, seizure, arrest, restraint, detainment, or any attempt at such;
- D. Military, naval, or air action by force of arms;
- E. Mines, torpedoes, or other missiles or engines of war whether of enemy or friendly origin;
- F. Any weapon of war employing atomic fission, or fusion, or radioactive material;
- G. Placing the boat in jeopardy as an act or measure of war taken in the actual process of a military engagement, including embarking or disembarking troops or material of war in the immediate zone of such engagement.

Any such loss shall be excluded from this policy without regard to whether Your liability is based on negligence or otherwise, and whether in time of peace or war.

Duties Following Any Loss

A. General Duties

In the event of any loss, damages or occurrence that is covered by this policy, any insured person or lienholder presenting a claim must:

1. Give Us or Our authorized representative timely notice of any occurrence that may result in a claim under this policy.

This notice should state:

- a. With respect to the incident; where, when and how;
- b. Property concerned;
- c. If injuries are involved; names and addresses of injured parties and all witnesses;

2. Promptly forward to Us any legal papers or notices received in connection with the loss;
3. Not assume an obligation, admit any liability or incur any expense for which We may be liable without Our written permission, except expenses incurred to protect the Property from further loss;
4. Cooperate with Us in the investigation, defense or settlement of any loss; agree to be examined under oath if We request;
5. Permit us to examine any records needed to verify the loss and its amount;
6. Submit a written proof of loss within 30 days when requested by Us;
7. Give prompt notice to the Coast Guard or other proper authorities if an injury or collision is involved.

B. Damage To Property Loss

A person presenting a claim for damage to Property must also:

1. Protect the Property from further loss. Make every effort to recover it. All reasonable costs incurred in protecting the Property will be applied against the limit of liability of Watercraft and Equipment as shown on the Declarations Page. Any further loss incurred due to Your failure to protect the Property will not be recoverable under this policy;
2. Give timely notice to police authorities and to the Coast Guard in the event of theft, larceny, robbery, or pilferage, accident, vandalism, fire or explosion.
3. Permit Us to inspect damages before repairs are made.

C. Bodily Injury Losses

A person submitting a claim for bodily injury must also:

1. Submit to reasonable requests for physical examinations by physicians of our choice. We will pay for the cost of the examination;
2. Permit us to obtain pertinent copies of medical reports and records.

This policy is signed at the Home Office of the Company by its president and secretary.

MARKEL AMERICAN INSURANCE COMPANY
Glen Allen, Virginia

Edgar W. Phibbs
Secretary

[Signature]
President

This Policy is Signed at the Home Office of the Company by its president and secretary.

MARKEL AMERICAN INSURANCE COMPANY

Glen Allen, Virginia



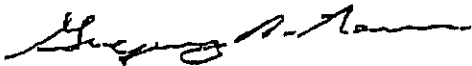
Gregory B. Nevers
Secretary



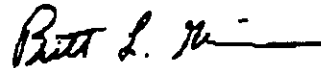
T. TAMRAZ GROVE
President

MARKEL INSURANCE COMPANY

Glen Allen, Virginia



Gregory B. Nevers
Secretary



Britton L. Glisson
President

Administrative Office:

PO Box 906
Pewaukee, WI 53072-0906
800-806-9626



MARKEL AMERICAN INSURANCE COMPANY
4551 Cox Road
Glen Allen, Virginia 23060

In the event of a claim,
please contact your agent immediately.

WC5001-1095



MARKEL AMERICAN INSURANCE COMPANY

WARRANTED LAY-UP ENDORSEMENT

In consideration of the premium charged, it is hereby agreed and understood that your watercraft policy is amended as follows:

There is no coverage under this policy if the Insured Property is being used or navigated during the lay-up period specified on the Declarations Page.

The following conditions apply during the lay-up period:

1. The Insured Property is warranted to be laid up and out of commission ashore;
2. The Insured Property is warranted to not be available for immediate use;
3. The Insured Property is warranted not to be used as a live aboard.
4. Transit and trailering is limited to within 150 miles of mooring location for maintenance, servicing, repair and safety of the vessel only.



MARKEL AMERICAN INSURANCE COMPANY

POLLUTION LIABILITY ENDORSEMENT

In consideration of the additional premiums indicated, we agree to pay on your behalf those reasonable costs and expenses, subject to the terms of this endorsement, resulting from unintentional spillage of a contaminant from the insured vessel.

This endorsement will cover:

1. Those sums for which you are legally liable to pay as a result of damage to property of others.
2. Those reasonable costs directly associated with the actual clean-up of a covered event.
3. Those reasonable costs or expenses legally imposed upon you by government authorities assisting in monitoring the clean-up.
4. Administrative charges and civil penalties levied against you by a judiciary body as a result of a covered event.
5. Those reasonable costs and expenses to defend you against legal action from a covered event.

Limit of Liability: We agree to pay up to a maximum of \$500,000 in any one policy year for those reasonable costs and expenses covered by this endorsement, regardless of the number of covered claims made or expenses incurred.

This additional coverage will not apply if you or any additional insured refuses or knowingly fails:

1. To report the covered event as is required by law(s) and you or any additional insured had reason to know of the covered event.
2. To provide all reasonable cooperation and assistance as is required by law or by someone acting under their legal authority.

We do not provide coverage under this endorsement for:

1. Liability which has been assumed by you or any additional insured under contract or agreement.
2. Liability arising out of any event that occurs on land or in the air.
3. Liability for any covered event that is caused by or resulting from any intentional act or willful misconduct by you or any additional insured.
4. Liability for bodily injury, disease, death, or mental illness or anguish.
5. Liability arising out of the spillage of any radioactive or nuclear material.
6. Any claim for punitive damages, any fine or penalty or the cost of defense arising out of a criminal violation.
7. Any assessment or Liability for Natural Resource Damage unless legal action commences within one (1) year of a covered event.

POLLUTION LIABILITY ENDORSEMENT

For purposes of this endorsement, the following definitions shall apply:

1. You or your means the Named Insured as described on the Declarations Page of this policy or anyone falling under the definition of "Insured Person" as specified in Endorsement WC5037-0598, if attached to your policy.
2. Covered Event means the sudden, accidental and unexpected discharge, leakage or spillage of a contaminant from the insured vessel in an accident that is specified in place and time within the policy period.
3. Contaminant means any petroleum product, chemical, lubricant, or solvent normally associated with the use and operation of a pleasure vessel.

SPECIAL NOTE:

IT IS REQUIRED BY LAW THAT YOU MUST NOTIFY THE PROPER AUTHORITIES IN THE EVENT OF A DISCHARGE OF A POLLUTANT FROM YOUR VESSEL. EVEN IF YOU HAVE REPORTED A CLAIM TO YOUR AGENT OR INSURANCE COMPANY, YOU ARE STILL REQUIRED BY LAW TO REPORT A DISCHARGE TO THE PROPER AUTHORITIES.

All other policy provisions, conditions and exclusions shall apply, except that Exclusion M. under Section IV. LIABILITY COVERAGE will not apply.



MARKEL AMERICAN INSURANCE COMPANY

MASSACHUSETTS AMENDATORY ENDORSEMENT

In consideration of the premium paid, it is hereby agreed and understood that your watercraft policy is amended as follows:

PART VII. - GENERAL POLICY CONDITIONS

Cancellation - Section E. is deleted and replaced with the following:

- E. If the policy is cancelled by the First Named Insured or if the policy is cancelled for nonpayment of premium, any return will be computed on a short rate basis, subject to our minimum earned premium of \$100. If the policy is cancelled by Us, any return will be on a pro rate basis.



MARKEL AMERICAN INSURANCE COMPANY

IMPORTANT NOTICE TO HIGH PERFORMANCE BOAT OWNER

Please be aware that this policy will only cover watercraft losses caused by a Named Operator. A Named Operator is you and any additional operator(s) whom you have requested us to add to your policy, providing the operators have been approved by Us and specifically listed on your Declarations Page.

The following operators **WILL NOT BE COVERED** unless they have been approved by Us and specifically named on the Declarations Page:

- A. A household member related to you by blood (your child), marriage (your wife/husband) or adoption including a ward or foster child;
- B. Any person operating the vessel with your prior permission (your neighbor or friend);
- C. A paid captain or crew member;
- D. Any person or organization operating a marina, shipyard, sales agency or like organization;
- E. Any organization who rents, charters, hires, or leases watercraft or equipment from You.

PLEASE CHECK YOUR DECLARATIONS PAGE FOR THOSE OPERATORS, OTHER THAN YOURSELF, THAT WILL BE COVERED UNDER THIS POLICY AS NAMED OPERATORS. REMEMBER, YOUR WIFE, YOUR CHILD OR YOUR NEIGHBOR/FRIEND WILL NOT BE COVERED FOR LOSSES UNLESS THEIR NAME IS LISTED ON YOUR DECLARATIONS PAGE!

Please read the High Performance Boat Endorsement that has been attached to your Watercraft Policy for detailed definitions of coverage.

WC5039-1095



MARKEL AMERICAN INSURANCE COMPANY

HIGH PERFORMANCE BOAT ENDORSEMENT AGREED VALUE

In consideration of the premium charged, it is hereby agreed and understood that your watercraft policy is amended as follows:

SECTION II. DEFINITIONS

The definition of Insured Person is deleted in its entirety and replaced with the following:

Insured Person

means You and any other Named Operator whom you have requested us to add to your policy, providing the additional Named Operators have been approved by Us and specifically listed on your Declarations Page.

Unless they are listed on the Declarations Page, this does not include:

- A. A household member related to you by blood, marriage or adoption including a ward or child;
- B. Any person operating the vessel with your prior permission;
- C. A paid captain or crew member;
- D. A person or organization or their agent or employee operating a marina, shipyard, sales or like organization;
- E. Any insured persons liability to you;
- F. Any organization who rents, charters, hires, or leases watercraft or equipment from an insured person.

The following definition has been added:

Named Operator

means You and any other operator that has been approved by Us and specifically listed on the Declarations Page.

SECTION III. WATERCRAFT AND EQUIPMENT

The section, What We Insure, has been deleted in its entirety and replaced with the following:

What We Insure

If a premium charge is made on the Declarations Page, we will provide coverage for sudden and accidental direct physical loss or damage to the insured watercraft and equipment generally required to be on board for the safe operation and maintenance of the watercraft. Some examples are the motor, tender, loran, depth finder/graph, ship to shore radio, boat cover, and life preservers. All watercraft and equipment must be listed and valued on the application, or coverage will not be afforded. Coverage is provided while the watercraft and equipment are afloat, on shore or being transported on land.

The section, Valuation, has been deleted in its entirety and replaced with the following:

Valuation

We have agreed with you on the value of the insured watercraft and equipment. The amount stated in the Declarations Page is the most we will pay for a loss to your property. No payment will be made for a Total or Constructive Total Loss unless the insured watercraft is completely lost or destroyed; or unless the expenses of recovering and/or repairing the boat will exceed the agreed amount on the Declarations Page or \$20,000 for Newly Acquired Property;

We will pay for repairs or replacement without deduction for depreciation, except for;

- A. sails, spars, rigging;
- B. protective covers of any type;
- C. batteries;
- D. tenders, dinghies;
- E. outboard motors;
- F. outdrive units;
- G. and, machinery inside the insured watercraft which is over three (3) years old.

WC3037-0598

Page 1 of 2

HIGH PERFORMANCE BOAT ENDORSEMENT

Any covered loss or damage to these specific items shall be paid on the basis of their Actual Cash Value. Actual Cash Value means the replacement cost of the property less depreciation.

The following section, Deductible, has been added:

Deductible

Each occurrence of loss or damage to the Insured Property will be adjusted as a separate claim. For each claim, We will pay the amount of the covered loss or damage less the deductible amount shown on the Declarations Page. Dinghies, tenders or launches are subject to a per occurrence deductible amount of \$500 or 2% of their Actual Cash Value, whichever is greater.

The deductible amount will be doubled for theft losses, unless reasonable precautions were taken to prevent the theft of the boat, engine, drives, trailer or equipment. Evidence that an approved anti-theft device or precaution was defeated will waive the double deductible. We will not consider a lock to have been defeated if the thief found the key onboard the boat or in the towing vehicle. Approved precautions include the following:

- A. Boat storage in locked garage, building or fenced area;
- B. Boat storage in fenced commercial marina;
- C. Equipment stored in locked cabin or enclosure;
- D. Electronic alarms;
- E. Outboard or outdrive locks;
- F. Trailer ball or trailer axle locks;
- G. Propeller Hub locks;
- H. Boat or equipment chained to a permanent anchor.

The following section, Payment of Loss, has been deleted in its entirety and replaced with the following:

Payment Of Loss

We may pay for the loss in cash or We may repair or replace the damaged or stolen Property with like kind and quality. We may, at our expense, return any stolen Property to You. If We return stolen Property, We will pay for any damage resulting from theft. We may keep all or part of the Property at an agreed or appraised value. But You may not abandon your watercraft to Us.

We will pay losses within 30 days after the earliest of the following:

- A. We reach agreement with You;
- B. Final judgment is entered into a court of law;
- C. An appraisal award is filed with Us;
- D. A proof of loss is accepted by the company.

The following section, Commercial Towing & Assistance, has been added:

Commercial Towing & Assistance

In the event of a mechanical breakdown or loss not otherwise covered under this policy, we will reimburse the reasonable costs, not to exceed an aggregate total of \$300, which become necessary while the insured is away from a safe harbor (or, if the yacht is on a boat trailer which breaks down away from a safe parking place), for any of the following or any combination thereof:

- A. Towing to the nearest place where necessary repairs can be made; or
- B. Boat trailer roadside service; or
- C. Labor for emergency repairs while away from safe harbor or parking place; or
- D. The cost of delivering gas, oil, parts or loaned battery (but excluding the cost of these items themselves).

All other conditions remain unchanged.

WC9037-0798

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Markel American/Markel Insurance Company Privacy Policy

We'd like to thank you for your business and let you know we respect your privacy and we are committed to protecting your personal information. Please read this notice, which outlines our privacy policies and practices.

We collect nonpublic information about you from the following sources:

- Information we receive from you on applications or other forms such as your name and address
- Information about your transactions with us, our affiliates, or others;
- Information we receive from a consumer reporting agency

We do not disclose any nonpublic information about our customers or former customers to anyone, except as permitted by law.

We may disclose nonpublic personal information about you to the following types of third parties:

- Insurance agents and/or brokers that you have chosen to work with
- Non-affiliated third parties as permitted by law to provide services you have requested

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.